

Creative Financing Approaches Fact Sheet

Status

- Governor Daniels proposes evaluating interest from the marketplace in:
 - A public private partnership to lease the Indiana Toll Road
 - A public private partnership to design, build and operate the I-69 extension from Evansville to Indianapolis

Examples

- This strategy has been used successfully elsewhere in the country to develop infrastructure.
 - 18 states have legislative approval for public-private partnerships
 - In Texas, the Texas Toll Way Authority has a \$700 million toll project for a 50-year concession to design, build, finance and operate State Highway 130
 - In San Diego, California, State Road 125 is scheduled for completion in July 2006 and has included \$900 million in private contributions.

Projects

- Indiana Toll Road
 - This would be similar to the long-term lease entered into by The City of Chicago for \$1.8 billion in 2004 for a company to run the Chicago Skyway.
 - The Indiana Finance Authority will issue a Request for Proposal to gauge interest in such an arrangement. Seek bids by January.
 - Such an arrangement would take full advantage of the toll road while the state retains ownership of the asset.
- I-69 Extension
 - Consideration of a public private partnership is a responsible way to make this project a reality
 - With traditional “pay-as-you-go” financing, construction could not begin until 2017 and be completed in 2035, with costs to the state of approximately \$2 billion.
 - If tolls were assessed between Indianapolis and Evansville, the state’s cost would be cut dramatically and the project timeline could be compressed for earlier start and completion.
 - With a public private design, build and operate system, costs and timelines could be compressed even further.